

**Statement of the Network 22 Executive Leadership Panel  
Department of Veterans Affairs  
before the  
CARES Commission  
on the  
California Market Plan**

**September 29, 2003**

Mr. Chairman and members of the Commission, I am pleased to be here today to discuss the VA Desert Pacific Healthcare Network's Capital Assets Realignment for Enhanced Services (CARES) Market Plans. We will dedicate this hearing in Long Beach to the Southern California plan, having addressed the Southern Nevada plan at the hearing in Las Vegas on September 26<sup>th</sup>.

Our formal testimony will:

- Describe the CARES planning process in Network 22
- Briefly outline Network 22's geographic area
- Describe the Southern California Market area
- Provide an overview of CARES projections for this market
- Describe specific CARES issues and plans that affect Southern California.

**CARES Planning Process**

The Network 22 CARES Committee provides the strategic leadership for CARES in Network 22. The Committee membership includes a representative sample of facility leadership, clinicians, engineers and planners from all five Network 22 facilities. Members also included a representative from DoD, the Network 22 labor coalition and the directors of the Los Angeles Veterans Benefits Administration (VBA) Regional Office and the Los Angeles National Cemetery Administration (NCA) Director. The Network CARES Communications Team was a subcommittee of this group. The CARES Committee met many times over the past three years. Initially, a team of physicians, engineers and associate directors from the committee completed the space and functional assessment of all Network capital assets by walking and scoring every square foot of space. This detailed assessment was a very critical part of the process which resulted in some of our Network's major recommendations. This past year the CARES Committee met to assess the CARES data and planning initiatives that were identified for Network 22. They identified solutions for those planning initiatives, which were then communicated to stakeholders for feedback. The CARES Committee briefed Network Leadership periodically throughout the process and obtained their approval on the submission of our Draft Network CARES Market Plan.

Three individuals in the Network Office served as Network 22's CARES Coordinators, each focusing on a different aspect of the process including data analysis and planning, space and construction and communications. These individuals worked closely with the CARES Coordinators at each of the network facilities in their assigned areas to develop market and communication plans, including workload and space mappings, proximity solutions, new projects, contract solutions, space shortage solutions, and vacant space and land solutions. In turn, the facility CARES Coordinators worked closely with key

individuals and decision-making bodies at their facilities to develop those plans and solutions.

Physician leaders from each Network facility had a major role in developing strategies and/or background information included in our CARES Plan. They addressed outpatient primary care and specialty care gaps as well as inpatient bed gaps throughout the Network. They also conducted the proximity analysis and integration and consolidation strategy.

Network 22 conducted an intensive communications program throughout the planning process, which continues today. A subcommittee of the Network CARES Committee, which was lead by a Network staff member and included two members from each facility, coordinated the CARES communication plan. At the Network level, CARES information was published quarterly in the Network-wide employee publication **Network News** with a distribution to 9,600 employees. It was also communicated to veteran patients, their families and community stakeholders on a biannual basis through the Network-based publication **Veterans Health Today** with a distribution of 250,000. Last September we added a CARES link to our Network Internet site with an automated CARES comment form allowing stakeholders to submit comments on the CARES plan on-line. I joined with the CARES Committee and facility directors in holding town hall meetings at each facility in December 2002 to explain the CARES data and planning initiatives for our Network. The Network Labor Coalition also received quarterly briefings on CARES at their Network meetings. The Network Communications subcommittee developed and distributed three stakeholder letters to our decentralized Management Assistance Council and other key stakeholders which included summaries of the planning initiatives, proposed network plans and a comment form for suggested changes. Several PowerPoint slide presentations were developed for presentation throughout the Network. The use of standardized letters and presentations Network-wide ensured that stakeholders were receiving the same information at each site. We felt this was especially important in our urban environment where facility boundaries and issues often overlap and messages can get muddled.

In developing the Network CARES Market Plan, CARES Committee members made contact with key stakeholders to explain the data, obtain information, discuss their concerns and review the market plan.

At the facility level, the Directors and CARES Communications Coordinators also ensured the dissemination of CARES information to stakeholders in the form of e-mail, newsletters, town hall meetings, flyers, briefings, etc. Each facility provided CARES updates and/or formal CARES briefings to their stakeholder groups on an ongoing basis including union partners, affiliated medical school deans, congressional representatives, Veteran Service Officers, State and County Veterans Representatives, Volunteers and other groups. All facilities held at least one town hall briefing in addition to the Network briefing before the CARES Market Plan was submitted to the Commission in April 2003. Network 22 submits detailed reports of all communication, outreach and contacts each month to the CARES office.

As mentioned, we have decentralized our Management Assistance Council. This was done approximately two years ago when the attendance at the quarterly Network MACs dwindled and the feedback from the group indicated they preferred a facility-based communication process. With the decentralized MAC, the Facility Directors meet with

these individuals at least quarterly, briefing them on important facility and Network issues. CARES communication with our MAC was handled in this decentralized manner.

Please note that the late national addition to Network 22's Draft CARES Plan, including the hospital in Las Vegas was not fully addressed with our stakeholders in all locations.

### **Network 22 Geographic Areas**

Network 22 or the VA Desert Pacific Healthcare Network serves veterans from an economically and demographically diverse area covering southern California and southern Nevada. The Network includes five VA Healthcare Systems (HCS), including a VA/DoD joint venture medical center in Las Vegas. In California, there are HCS in Loma Linda, San Diego, Long Beach and Greater Los Angeles, which includes the formerly independent facilities of Wadsworth, Brentwood, Sepulveda and LA Ambulatory Care Center. The VA Southern Nevada Healthcare System serves veterans from southern Nevada, eastern California, western Arizona and southern Utah. Due to structural problems at the Addler Guy Ambulatory Care Center, they recently relocated to 10 care sites throughout the city of Las Vegas. An active VA/DoD joint venture supplies the inpatient capacity for veterans at the Mike O'Callaghan Federal Hospital located at the Nellis Air Force Base. All of the HCSs operate several community clinics. We have 30 community clinics at this time located across the Network in strategic locations that meet veteran access requirements. CARES data show that 92% of veterans in Network 22 live within 30 miles/minutes of a VA point of care. Crossover market issues in the northern part of the Network have been coordinated with the VA CARES planners from Network 21.

### **Network 22 Market Areas**

Two market areas were defined in Network 22 for CARES planning purposes. These areas correspond with the California and Nevada state boundaries. The California Market has three sub markets including Inland, Coastal and Southern. The Inland Sub Market includes the Loma Linda HCS, eastern Los Angeles County, Riverside and San Bernardino Counties and the north and eastern remote desert areas of southern California. The Southern Sub Market includes the San Diego HCS from the coast along the Mexico border to the Arizona state line. The Coastal Sub Market includes the coastal areas from Orange County to San Luis Obispo. This area includes the Long Beach and Greater Los Angeles HCSs and their many clinics. The Market definitions accommodated current and projected referral patterns between HCSs and clinics, transportation patterns and travel barriers. The major travel barrier in Network 22 is the severe traffic congestion experienced in the urban areas of California which can often make a 30-mile drive into a two-hour ordeal for an elderly veteran. The remote desert regions of California and Nevada also present distance barriers.

### **Southern California Market Characteristics**

The key focus of the CARES plan for Network 22, and southern California, is expansion and consolidation. Current facilities have functional space deficiencies for the patient volume and significant enrollee growth is projected across the 20-year planning period. Despite a projected decrease in veteran *population*, the number of enrollees is projected to *increase* over the planning period. While southern California's 2001 base-line

penetration rate (enrollees/vet pop) was just 20%, the rate is projected to reach 32% by 2022. Our CARES plan addresses these gaps through construction, lease and contract.

Market Name	2001 Enrollees	2001 Penetration Rate	2012 Enrollees	2012 Penetration Rate	2022 Enrollees	2022 Penetration Rate
California	281,526	20%	284,107	28%	233,489	32%
Nevada	41,405	25%	50,333	31%	48,749	36%

Southern California is home to two DoD hospitals, the Balboa Naval Hospital and Camp Pendleton Hospital in the San Diego area. There are also several military treatment facilities or clinics located on bases primarily in some of the remote areas of the state. All of these facilities create options for military retirees to receive their health care and opportunities for VA/DoD sharing programs. Additionally, closed military facilities at the Naval Station in Long Beach and March Air Force Base in Riverside have provided opportunities for collaboration with groups such as U.S. Vets to build transitional housing for homeless veterans.

The California Market has four highly affiliated tertiary medical centers with major research and education programs. Network 22 receives the highest research and education funding of all Networks. Given the similarities, our facilities each have different patient care administrative roles within the Network. The San Diego and Greater Los Angeles facilities are major referral centers for specialized procedures such as cardiac surgery and neuro surgery. San Diego is affiliated with University of California, San Diego (UCSD) and has one of the largest research programs in the nation. They also have a small Spinal Cord Injury Center. In addition to serving as a network referral center, Greater Los Angeles (GLA) is a major resource for mental health, homeless and geriatric programs. Two Geriatric Research and Education Centers are located at the West Los Angeles and Sepulveda Campuses. GLA is affiliated with University of California, Los Angeles (UCLA) and University of Southern California (USC). Long Beach has the largest Spinal Cord Injury Center in the VA, which serves as a Network and National referral center. They have an active affiliation with the University of California, Irvine (UCI) with a large teaching program. Long Beach and Greater Los Angeles HCS also provide radiation therapy services for the rest of the Network. Long Beach is located in the center of the Network and is the site of the Network Office, Network Business Center and Employee Education System. Loma Linda is affiliated with Loma Linda University (LLU) and serves as an entry point for the many veterans who are moving inland to avoid the high cost of living in the city and along the coast. It also serves the retirement communities in and around Palm Springs and provides clinical support to Las Vegas in the areas of Radiology and Research.

## Workload

Southern California faces significant capacity gaps (workload increases) in outpatient primary and specialty care and inpatient medicine beds. Slight reductions are seen in psychiatry bed numbers:

Category	2001 Baseline	Increase by 2012	Increase by 2022
Primary Care (stops)	701,060	71%	38%
Specialty Care (stops)	674,483	79%	54%
Medicine (BDOC)	84,270	33%	4%
Psychiatry (BDOC)	67,212	-12%	-35%

A CARES review of special populations identified a significant unmet need for a blind rehabilitation center in Network 22. The aging of the spinal cord injured veteran population was also noted with a planning initiative to reduce acute SCI beds, replacing them with long-term care.

### **Patient Care Planning Initiative**

The Network 22 Market Plan addresses the patient care capacity and space planning initiatives in southern California by building additional space, shifting workload and expanding current sites of care. At the West Los Angeles campus of GLA, a clinical addition is planned to address the current space shortage, projected growth and to consolidate patient care services on the south side of this very large and dispersed campus. This plan addresses the clinical gaps while increasing the overall efficiency of the operation. This clinical addition would also allow outpatient functions currently housed in inpatient space to move, increasing the availability of inpatient medicine beds. A clinical addition is also proposed for Loma Linda. This building will address current and future capacity as well as clinical and research space deficiencies. A parking structure would accompany this proposal. To address the veteran population growth in northern and southern San Diego County, the community clinics in those areas will be expanded to address capacity and space deficiencies. Clinics operated by Long Beach HCS in Orange County will also be expanded to address the growth in veteran population. An administrative addition is also proposed in Long Beach to address seismic and space deficiencies while freeing inpatient and outpatient clinical space for expansion. The gap in inpatient medicine beds at all facilities may also be addressed through downsizing of psychiatry beds.

### **Special Populations Planning Initiative**

The CARES special disability program market projections for southern California and southern Nevada support construction of a 24-bed Blind Rehabilitation Unit in Network 22. A new center would improve access and better meet patient's inpatient rehabilitation needs. Currently, patients needing inpatient blind rehabilitation services are referred outside the Network to Centers in Palo Alto and Tucson. Outpatient blind rehabilitation services are provided at each of our HCS through visual impairment treatment teams. While outpatient serviced are preferred to the six-week intensive inpatient program, providing a new state of the art blind rehabilitation center in the network will have a positive impact on patient care, education and research. We believe that Long Beach is the best location for a Blind Rehabilitation Center. It is located in the center of the Network and, with the exception of Las Vegas, it is equally accessible to veterans from Greater Los Angeles, Loma Linda and San Diego. Long Beach has the land to support construction of a new center and its location next to shopping, a college campus and public transportation make it an excellent site for a blind rehab program. Most importantly, a blind rehabilitation center fits well with the Long Beach focus on special

populations such as spinal cord injury and rehabilitation. The medical center and its affiliate are excited to implement this new program. Veterans from San Diego, Loma Linda and Las Vegas have voiced support for this location. Finally, in looking at the Network data on blinded veterans, the numbers are fairly well distributed throughout the Network and support the placement in a central location.

The Spinal Cord Injury and Dysfunction special disability program population data show a decrease in acute beds and an increase in long term care beds over time. This supports the realignment of 30 SCI/D beds from acute to long term at the SCI Unit In Long Beach.

### **Access Planning Initiative**

Network 22 meets all CARES access standards for primary, acute and tertiary care in southern California. While our plan does not include establishing new community clinics, we plan on addressing future growth in primary care by expanding care at the medical centers and at existing community clinics.

### **Proximity Planning Initiative**

All four tertiary care facilities in the California Market of Network 22 were flagged for a proximity review due to the 120-mile standard for tertiary care. Long Beach and Greater Los Angeles were also identified for review with the 60-mile standard for hospital care. For all of these facilities, we were asked to consider mission changes and or realignments.

One problem encountered when conducting the proximity review is the lack of a clear definition of a tertiary facility. Historically, the presence of a cardiac surgery program and neurosurgery were two major determining indicators for a facility to be designated tertiary. Long Beach and Loma Linda do not provide either service in-house. Veterans are referred to San Diego or Greater Los Angeles. Despite not having these traditional tertiary services, all of the southern California facilities are considered highly affiliated urban tertiary medical centers. While there are similarities, each facility offers a unique mix of services that makes them unique to the Network and their community. Each of the four tertiary medical centers in southern California are located in congested, urban environments where traveling 30 miles may take two hours and public transportation is limited. While the actual facilities are close, the areas that patients travel from are vast. In studying the proximity issue along with the space and workload projections, none of the California facilities could accommodate the inpatient or outpatient workload if there was a closure or major mission change. Although we did not recommend a mission change for our facilities, we recognize the need to consolidate services to improve efficiency and enhance patient care throughout the Network. A series of consolidations and integrations have already been implemented including the Network Business Center, the Network Decision Support System, the Prosthetic Service Line, Network Transfer Program and Human Resources Program. Integrations are currently underway in Radiology, Radiation Therapy, Geriatrics, Mental Health and Pathology. We feel that the consolidation and integration of these services will give us the necessary efficiencies without impacting patient's ability to access care and the specialized treatment facilities throughout the Network.

## **VBA and NCA Collaboration**

Prior to the CARES process, the Veterans Benefit Administration agreed to co-locate the Regional Office in Los Angeles to the West Los Angeles Campus of the VA Greater Los Angeles Healthcare System. This new facility will be built on unoccupied land adjacent to the main patient care building through an enhanced use lease arrangement. The building will include 36,000 gross sq.ft. of space for the medical center to move administrative functions out of former patient care areas and allow for expansion of inpatient and outpatient care space.

National Cemetery Administration has identified the need for 20 acres of land on the West Los Angeles campus, adjacent to the current Los Angeles National Cemetery for a columbarium. We support this recommendation, which will provide new internment opportunities for veterans at this closed cemetery.

## **DoD Collaboration**

Expanding VA/DoD sharing is a goal of our Network. Each of the four California facilities have active sharing agreements and we continue to look for opportunities for improvement. In collaboration with Rear Adm. James Johnson, Director, Tricare Region 9, Naval Medical Center, San Diego, a Joint VA/DoD Steering Committee was formed last year to identify new and enhance current VA/DoD sharing opportunities throughout southern California. This group looked at potential sharing opportunities with the new Camp Pendleton Hospital, expanding sharing with Naval Hospital Balboa and jointly operating or sharing clinic resources. Although no specific VA/DoD initiatives are included in the California Market Plan, we look forward to exploring these initiatives further in the future, as a way of addressing our gaps in primary and specialty care and inpatient medical bed needs. Impediments to enhanced VA/DoD sharing include different patient needs, location of facilities, on-base security issues, differences in our missions and lack of financial incentives.

Veterans in southern California have benefited by the closure of bases and joint VA/private partnerships to convert this land into homeless transitional housing, job training and mental health and substance abuse treatment. An example of this is seen at The Villages at Cabrillo in Long Beach where former Naval base housing was converted to provide housing, jobs, health care and other services for veterans suffering from homelessness or substance abuse. The VA Long Beach Healthcare System is one of the partners with U.S. Vets in this project. The VA provides on-site substance abuse treatment and primary care. U.S. Vets and other agencies provide other necessary services to get veterans back on their feet. This same type of arrangement is starting in October with U.S. Vets and the VA Loma Linda Healthcare System at the former March Air Force Base in Riverside California. Although not located on a former base, U. S. Vets also has a transitional housing program in Los Angeles associated with the VA Greater Los Angeles Healthcare System. Other forms of transitional housing are offered through private/public partnerships at the West Los Angeles campus such as New Direction, Red Cross and the Haven. We see these initiatives as a very positive use of excess government land that directly benefits veterans.

### **Excess Space Planning Initiative**

CARES space calculations identified the need to reduce 818,000 sq. ft. of vacant space within the Network. Much of this is old, seismically compromised and poorly designed space located on the West Los Angeles campus and at Long Beach. Vacant space will be managed through demolition, outlease or enhanced use lease/sharing. Consideration will be given to ensuring that no historic buildings are demolished without appropriate review and approval.

### **Nursing Home Planning Initiative**

Network 22's CARES Plan identifies the need for facility condition improvements of nursing home space at Long Beach, San Diego and Greater Los Angeles. The existing nursing homes on the West Los Angeles campus are substandard due to the age and design of the buildings. These multistory buildings were not originally built as long-term care facilities and are unable to meet standards. A new 180-bed replacement facility is proposed. Renovation of substandard space is also proposed at Long Beach and San Diego.

### **Seismic Planning Initiative**

The California Market has a number of critical buildings that are seismically deficient and need retrofitting or replacement. The main patient care buildings at San Diego and West Los Angeles need correction of seismic structural deficiencies. Both are considered Exceptionally High Risk (EHR) buildings. The West Los Angeles building is the largest at-risk building in VHA. The cost to correct these deficiencies is \$52 million for West Los Angeles and \$50 million for San Diego. Outpatient and other critical patient care space in Long Beach are also in need of seismic correction and consolidation. This project is estimated at \$75 million. Other seismic correction projects at the West Los Angeles campus and at Long Beach total \$70 million. In total, Network 22 has seismic/life safety construction needs that totals \$247 million. These are critical needs for our Network that must remain a priority.

### **Research Planning Initiative**

Network 22 has one of the most active research programs in the nation; however, two of the facilities have significant research space and functional deficiencies – Greater Los Angeles and San Diego. Combined, Network research programs receive funding in excess of \$100 million annually and have a strong history of major advances in health care. The CARES plan includes new research buildings at each of these sites. Improving our research facilities will be a major factor for retention and recruitment of clinical staff.

A new research building is needed at VA Greater Los Angeles Healthcare System due to a lack of capacity to accommodate additional investigators as well as the age and condition of the buildings which make it difficult to perform the type of research being conducted in the 21<sup>st</sup> Century.

For the VA San Diego Healthcare System, a new research building is proposed on the medical center campus to address severe space deficiencies and to eliminate costly



leased space. This proposal will include construction of a parking garage to offset losses due to construction and to correct current deficiencies.

### **Land Use Planning Initiative**

The final planning initiative for Network 22 addresses excess land use planning. Excess land is generally defined as VA owned land assets identified by the CARES process as “not required for support of VA’s health care mission”. The CARES process did not include a mechanism for the assessment of excess land, only vacant space. To examine and create plans for excess land, the Network has proposed as part of the CARES plan, the establishment of a Land Use Planning Committee and process that will address all land use issues in Network 22. The Land Use Planning Committee will be charged with addressing land use issues and developing a criteria-based process for re-use of excess land located within the VA Desert Pacific Healthcare Network. While this process covers all network facilities, the VA Long Beach Health Care System and VA Greater Los Angeles Health Care System account for the vast majority of excess land within Network 22.

Land use planning has been a major area of concern for veterans and the community, especially at the West Los Angeles campus of the Greater Los Angeles Healthcare System. This concern resulted in a Congressional requirement that a 25-year Land Use Master Plan be developed for the West Los Angeles campus. Land use planning consultants assisted VA staff and a community advisory board in developing this plan. The planning process was contentious and the community did not accept the product. Ultimately, the Secretary of Veterans Affairs rejected the plan and asked that land use planning be completed as part of the CARES process.

The Draft National CARES plan includes the Network proposal to create a Network Land Use Planning Committee which will evaluate proposed land use projects against established and approved criteria and make recommendations to the Network Director and Secretary, Department of Veterans Affairs. The basic evaluation criteria included in the Network Land Use Planning Committee Charter requires that any land use project must be a direct benefit to veterans or the VA mission. It also requires that 1) Projects enhance the VA’s goal of building healthy communities by expanding community, academic and research partnerships and by providing leadership in times of local and national disaster; 2) Projects do not create significant adverse environmental impact that cannot be mitigated; 3) Projects must recover all costs and must demonstrate a direct economic benefit to VHA and the veterans it serves; 4) The economic benefit to the VA should meet industry/community standards; 5) Projects do not create significant adverse community impact that cannot be mitigated, and 6) Projects must be consistent with the approved CARES Market Plan.

Once a project has passed the criteria community, stakeholders will be notified by e-mail or writing by the Land Use Planning Committee and will be given thirty days to meet with their constituents to identify additional concerns prior to submission to the Network Executive Leadership Board (NELB) for a final recommendation to the Network Director and a decision by the Secretary.

## **Summary**

In summary, Network 22 is in a major expansion mode with strategic consolidations, due to projected enrollment and workload increases and the need to correct critical seismic and space deficiencies. Clinical, research and administrative additions are recommended network-wide to support these increases. These initiatives will not only meet current capacity needs, they also create the additional capacity we will need into the future. Network 22 has produced a Draft CARES Plan that addresses our current and future enrollees' needs in a realistic and responsible way. We welcome your questions.